

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2441 - HB 2596

February 12, 2018

SUMMARY OF BILL: Requires the Department of Transportation (TDOT) to have a law enforcement vehicle and officer at all work zones in which activity hazard or a work zone design hazard is present.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$50,834,900/Highway Fund

Increase Federal Expenditures – Exceeds \$19,272,100

Assumptions:

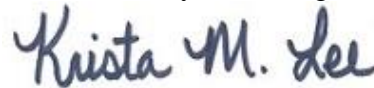
- Based on the information provided by TDOT, there were 104,548 maintenance daily work reports that would have required a law enforcement officer as a result of the proposed legislation during FY17-18. This number is assumed to remain constant in subsequent years.
- All maintenance work days are currently 100 percent state funded.
- The average cost for a uniformed officer with vehicle was \$55 per hour in FY17-18; it is reasonably assumed that each officer would be onsite for 7.5 hours per day.
- Due to increased demand for law enforcement officers, it is reasonably assumed that the price per hour will exceed \$55 in FY18-19 and subsequent years.
- The recurring increase in state expenditures for maintenance work activity days from the Highway Fund is estimated to exceed \$43,126,050 (104,548 work activity days x 7.5 hours x \$55 per hour).
- Based on the information provided by TDOT, there were 70,875 construction daily work reports that would have required a law enforcement officer as a result of the proposed legislation during FY17-18. This number is assumed to remain constant in subsequent years.
- The recurring increase in expenditures for construction work activity days from the Highway Fund is estimated to exceed \$29,235,938 (70,875 work activity days x 7.5 hours x \$55 per hour).
- Based on the information provided by TDOT, an estimated \$9,355,000 will be state expenditures; the remaining \$19,880,938 (\$29,235,938 – 9,355,000) will be federal expenditures.

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- The total recurring increase in state expenditures to the Highway Fund for both maintenance and construction days is estimated to exceed \$52,481,050 (\$43,126,050 + \$9,355,000).
- The total recurring increase in federal expenditures for both maintenance and construction days is estimated to exceed \$19,880,938.
- Based on the information provided by TDOT, TDOT paid the Department of Safety (DOS) and contractors for uniformed police officers \$2,255,013 for work zone enforcement in FY17-18.
- Approximately 73 percent of such expenditures were state funding and 27 percent of such expenditures were federal funding.
- State expenditures for work zone enforcement in FY17-18 was \$1,646,159 (\$2,255,013 x 73%).
- Federal expenditures for work zone enforcement in FY17-18 was \$608,854 (\$2,255,013 x 27%).
- Any increase in state revenue to the DOS or local revenue for local law enforcement will be offset by an equal increase in expenditures for providing the service; any net impact to DOS or local law enforcement is estimated to be not significant.
- The net recurring increase in state expenditures is estimated to exceed \$50,834,891 (\$52,481,050 - \$1,646,159).
- The net recurring increase in federal expenditures is estimated to exceed \$19,272,084 (\$19,880,938 - \$608,854).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/rbp